

Message Text

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42

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 OMB-01 AID-05 IGA-01 TRSE-00 ACDA-05

IO-10 CIEP-01 /098 W

----- 054525

R 021020Z AUG 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5582

INFO AMEMBASSY DAMASCUS

AMEMBASSY MOSCOW

AMEMBASSY JIDDA

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E.O. 11652: NA

TAGS: EFIN EAID EG SU

SUBJECT: MINISTER OF FINANCE RETURNS FROM MOSCOW DEBT
NEGOTIATIONS EMPTY HANDED

1. CAIRO PRESS REPORTED AUGUST 2 THAT DR. AHMAD
ABU ISMAIL, MINISTER OFFINANCE, WOULD RETURN FROM
DEBT NEGOTIATIONS IN THE SOVIET UNION SAME DAY. PRESS
REPORTS THAT NO COMMUNIQUE WAS SIGNED , AT SOVIET RE-
QUEST, THE MINUTES OF MEETINGS WERE INITIALED.
MINUTES THAT REPORTEDLY CONTAIN PROPOSALS PUT
FORWARD BY BOTH SIDES REGARDING PAYMENT OF OUTSTANDING
EGYPTIAN DEBT TO SOVIET UNION.

2. ACCORDING TO PRESS, SOVIETS PRESSED FOR PAYMENT
OF 80 MILLION POUNDS (WHICH SEEM REPRESENT ARREARS ON
CURRENT PAYMENTS) IN EGYPTIAN EXPORTS WITH EVIDENTLY
NO PLAN FOR RESCHEDULING OR GIVING GRACE PERIOD FOR
REMAINDER OF DEBT. SOVIETS OFFERED TO PARTI-
CIPATE IN DEVELOPMENT PROJECTS AND ASKED EGYPTIANS
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TO SUBMIT LIST OF PROJECTS TO WHICH SOVIETS MIGHT

CONTRIBUTE. AS COUNTERPROPOSAL, EGYPTIANS SUBMITTED REQUEST THAT GRACE PERIOD BE GIVEN AND THAT DEBT, INCLUDING CURRENT ARREARS, BE RESCHEDULED.

3. ABU ISMAIL REPORTEDLY INVITED HIS COUNTERPART IN THE NEGOTIATIONS, FIRST DEPUTY COMMERCE MINISTER KOSMIN, TO VISIT EGYPT FOR CONTRINUATION OF NEGOTIATIONS AFTER SOVIET SIDE HAS HAD CHANCE TO STUDY EGYPTIAN REQUEST.

4. COMMENT: RUMORS HAVE BEEN CIRCULATING CAIRO LAST FEW DAYS THAT TALKS NOT GOING WELL. SOVIET INSISTENCE THAT EGYPT MAKE GOOD ON DEBTS PRIMARILY THROUGH EXPORTS, SEEMS TO BE COMPROMISE FROM DEMANDING PAYMENT IN HARD CURRENCY. POSITION HOWEVER RUNS COUNTER TO EGYPTIAN HOPES FOR EXPANSION OF EXPORT EARNINGS THIS YEAR WITH AVAILABLE EXPORTS, NAMELY COTTON AND OTHER AGRICULTURAL CROPS.

5. ABU ISMAIL'S FAILURE IS ONE MORE QUASI PUBLIC SIGNAL OF SOVIET DISPLEASURE WITH PAST AND CURRENT GOE PROCLIVITY DEAL USSR OUT OF ME.
EILTS

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Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Margaret P. Grafeld
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06 JUL 2006

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Subject: MINISTER OF FINANCE RETURNS FROM MOSCOW DEBT NEGOTIATIONS EMPTY HANDED
TAGS: EFIN, EAID, EG, SU, (ISMAIL, AHMAD ABU)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006